

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT PACK

Last updated on 9 October 2025

Disclaimer

Payward Canada Inc. (Kraken) is registered under Canadian securities laws as a restricted dealer and is offering Crypto Contracts on crypto assets in reliance on a prospectus exemption contained in the exemptive relief decision [Re Payward Canada Inc.](#) dated 04/01/2025 (the Decision). The statutory rights in section 130.1 of the Securities Act (Ontario), and, if applicable, similar statutory rights under the securities legislation of each other province and territory in Canada, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the prospectus relief in the Decision.

No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that PACK is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.

Please note that this Crypto Asset Statement may not be exhaustive of all risks associated with trading PACK. Please review the [Risk Statement](#) and [Fee Schedule](#) for additional discussion of general risks and transaction fees associated with the Crypto Contracts and Crypto Assets made available through the Canadian Platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this Crypto Asset Statement is based on publicly available information provided by third parties.

What is PACK and how does it work?

HashPack is a non-custodial wallet for the Hedera network. It provides users with tools to manage HBAR and Hedera tokens/NFTs, connect to dApps, and access ecosystem features such as an in-wallet swap, a store, and the HashVote governance portal. Hedera's ecosystem page lists HashPack among its wallets & custody applications and describes it as a gateway to DeFi, NFTs, and tokenized assets on Hedera.

PACK is the HashPack utility token issued on the Hedera Token Service. Utilities include staking PACK to receive xPACK, participation in governance via HashVote, in-wallet "PackBack" rewards that return a portion of fees on eligible swaps, and spending in the HashPack Store.

Who is behind the project?

PACK is issued by HashPack Inc., which was founded by May Chan, Nicholas Hanna, Tyler Cote, and Jacob D'Rozario.

Tokenomics of PACK

The total supply of PACK is 1 billion tokens, which is distributed as follows:

Category	Percentage
Community	51%
Liquidity	2%
Marketing	10%
Core Development	27%
Operations	10%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in PACK. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see [Kraken's Risk Statement](#).

Risks specific to PACK

Competition

The HashPack wallet faces competition from other wallet and DeFi utility tokens such as Trust Wallet Token (TWT), SafePal (SFP), and SaucerSwap's SAUCE, and many others. PACK's value derives from its broader adoption in the market. If the HashPack wallet fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PACK.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PACK and determined that PACK is unlikely to be a security or derivative under Canadian securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of PACK, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PACK;
- The supply, demand, maturity, utility and liquidity of PACK;

- Material technical risks associated with PACK, including any code defects, security breaches and other threats concerning PACK and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with PACK, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PACK, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to PACK about whether PACK, or generally about whether the type of crypto asset, is a security and/or derivative.